

# Comment Letter to the SEC on File No. S7-31-22

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Dear Members of the Securities and Exchange Commission,

I am writing to express my strong support for File No. S7-31-22; Release No. 34-9649; Order Competition Rule. I believe that this rule, which requires firms like Citadel to go through public auctions to fill orders and bans Payment for Order Flow (PFOF) in US markets, will bring about much-needed transparency and fairness in our financial markets.

Brokers who do not accept any form of PFOF tend to route orders differently, leading to better execution quality for investors. For instance, Robinhood's PFOF accounts for 70% of its revenue, but a study found no significant price improvement compared to exchanges [1]. This suggests that the current practice of PFOF does not benefit the investors and should be reconsidered.

Dark pools should be required to provide quotes and trades to consolidated market data for greater transparency. This would help remove middlemen from the market, improving prices for both individuals and institutions such as pension funds. By doing so, we can ensure fair competition, reduce monopolistic behavior, and remove profiteering middlemen from the market.

Additionally, the SEC should investigate conflicts of interest among market participants and improve enforcement with higher fines and license revocations. Strong enforcement will act as a deterrent for potential violations, ensuring a fair playing field for all market participants.

Thank you for your time and consideration in this matter. I am confident that the proposed rule will have a positive impact on our financial markets, leading to more fairness, transparency, and efficiency.

## References

- [1] Securities and Exchange Commission. In the Matter of Robinhood Financial, LLC. December 17, 2020. URL <https://www.sec.gov/litigation/admin/2020/33-10906.pdf>. [Online; accessed 30-March-2023].